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AS CONGRESS RETURNS

By Frank C. Hanighen and Frank Chodorov

In the past twenty-four hours, as members of Congress met and organized for the session, four stories have been put in circulation, four pieces of hitherto unpublished news, which will undoubtedly set in motion lines of legislative activity of vast importance.

They are, briefly, as follows:

(1) Report, from Congressional parties visiting Korea, about a road (in the U.S. occupied part) paved with precious metal which sells in the world market at a very high price per pound. It raises the issue of waste of U.S. dollars abroad.

(2) The revelation that not more than one in six hundred refugees from behind the Iron Curtain have ever heard broadcasts from our expensive Voice of America.

(3) "Off-shore" buying with U.S. dollars —— the State Department has decided to transfer from American to European factories orders for supplies for our soldiers in Europe. This will come as a shock to various factory owners and employees in this country who have been busy making uniforms and other pieces of equipment for the U.S. Army.

(4) Authenticated signs of revolt, in various constituencies in the Middle West, against tax investigation and collection involving small business firms. Exposure of corruption in the Internal Revenue Bureau has inspired these incidents of rebellion among "little people" who never before resisted the machinery of the Bureau.

What these particular news stories —— and there are many more like them flying through the corridors —— denote is that the pinch of taxes among the people has reached the point where the people, through their legislative representatives, are critically scrutinizing all parts of the vast global spending effort. Observers here assert that never again will a blank check be given the Executive arm of the Government.

II

Particulars of the above stories strengthen this impression. Visitors in Korea found out that a sixty-mile stretch of road in South Korea was actually paved with wolfram, the ore from which scarce tungsten is refined. The price of tungsten has soared in the past two years because the former big source of the ore, China, has been in the hands of the Communists and shipments have been shut off.

The Army —— it seems —— utilized the open-cut tungsten mine in South Korea for material with which a strategic road could be built. It is a source of debate whether the engineers knew what they were using, and —— if they did —— whether urgency for the road would have overridden other considerations.

Anyway, visitors wondered at present plans to exploit this mine for export of tungsten ore in a place so close to the battle lines, and of the cost of shipping such ore six

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thousand miles to the refineries near Buffalo, New York. It is pointed out that good tungsten ore could be extracted from Spain or Portugal and the distance of transportation would be halved, if some capital expenditure were made. The question is asked: does the State Department block the development of Spanish mines because the State Department frowns on the Spanish form of Government?

Next, the revelation that people behind the Iron Curtain do not —— in any significant numbers —— hear the broadcasts of the Voice of America, comes from Congressional travellers. They discovered that an intensive questioning of persons who have crossed the Iron Curtain to our side has been going on for some time; and, from Army sources which collaborated with the questionnaire squads hired by the State Department, they learned that not more than *one in 300* people questioned had heard of the Voice of America and only *one in 600* had actually listened to any of the broadcasts. Furthermore, they themselves tried to listen in on the broadcasts in places in Germany where they were "on the beam" and found the reception faint and confused by static.

Then, there is this matter of "off-shore" buying with American dollars. What has happened is that Mr. Averell Harriman's Mutual Security Agency is seeking to shore up the economies of Western European nations and in this effort is trying to give factories in those countries plenty of orders for Army goods which up till now have been made in American factories. The Executive has simply issued a decree, without consultation with Congress, and is going ahead no matter what the effects on American business.

We talked to a politician from Massachusetts and found him a vigorous critic of foreign aid and high taxes. He particularly dwelt on the very bad state of business in the textile field. "You have no idea", he remarked, "how some factories making woolens pathetically place their hopes on just one order. If that order doesn't come through, they lose money, or the amount of money they are already losing increases." And he went on a bit, in a minor key, on the number of people out of work. Further conversation showed that he had already scented trouble as a result of the "off-shore" program of the Administration. "We won't stand for it", he snapped.

As a matter of fact, Congress yesterday had scarcely "checked in" at the Capitol than the rumbles about foreign aid began in earnest. These took the most striking and authoritative form in words from Senator Connally (Texas), Democrat and Chairman of the Senate Foreign Relations Committee. The Senator lost no time in making it clear that his state, long supporting internationalist policies, has turned definitely against foreign spending. Since the Senator is up for re-election in his bailiwick, with very uncertain chances of victory, his statements are most significant.

Despite the fact that his old friend Churchill was in town and that he has traditionally been generous with American money in the case of Britain, Connally told reporters: "I am not very strong for any additional aid to the British at this time". He added that "the most strenuous reductions" must be made in appropriations for Western Europe and

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hoped that it would be possible to cut off economic aid to that area entirely. He said that it is "time for the Europeans to begin to stand alone economically". When such an important "wheel-horse" of the Democratic Administration talks in this fashion, it is indeed news.

III

But why this aroused feeling among the people (as expressed by their members of Congress) just at this juncture? The Marshall Plan lasted four years and caused no general resistance. What has happened in recent months to make such commotion?

When one ponders the fact that a plumber draws about $9,000 a year at least and some locomotive engineers make more than $12,000 annually, it seems clear that the progressive income tax has become less "progressive" in the political sense of that term. The cost of global spending has at last reached the consciousness of the toilers; and the melodramatic fact that the income tax has been the plaything of influence peddlers and shysters has made the problem unusually vivid to those who pay the bill.

We have received documentary evidence of how small business people now react to a routine investigation by the Internal Revenue Bureau. In a Midwestern community, a purchaser of an automobile received a questionnaire from the Bureau regarding his transactions with the dealer from whom he bought his car. The object of the questionnaire was to find out if there had been any "under the counter" payments to the dealer. The recipient of the letter began to make inquiries in the community and found that other purchasers had received the questionnaire. A wave of sympathy for the dealer swept the community, with angry denunciations of the Government and particularly with bitter remarks about a "Government shot with corruption", which had the "audacity" to try to get members of a community to "inform" against each other. We are impressed with this well-authenticated instance, because it fits into a common pattern.

Sentiment in another Mid-west Congressional district, according to its member of Congress, was that taxes had reached "the limit", that the people would not stand for another boost in their income rates. A leader in the community started to circulate a proposal that a Federal sales tax be enacted, that such a move would solve the problem. But reactions to this among the mass of the people were so sharply negative, in some cases opprobriously so, that the leader hastily decided to drop the idea.

In still another district, it was found that constituents did not appreciate the efforts of legislators who went abroad to assess the situation. These constituents' minds —— we are informed —— were so firmly fixed against any and all foreign aid that they wanted no money spent by "junketeers". Some legislators who stayed at home and toured their districts are glad they did so.

In still other places, there is some disposition to qualify the above. But in all cases, it is at least vociferously urged that no money go abroad unless it is really doing some good. Congressman Lawrence Smith of the 1st District of Wisconsin, with whom we talked on

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the telephone, summed up the sentiment in his constituency as, "No more taxes, and no more dollars to Europe unless we can see that there's some benefit from it." According to Congressman Smith, his people react just as emphatically to the news about corruption in the Internal Revenue Bureau; they ask: "Why should we pay taxes, when the crooks upstairs don't pay?"

IV

The big news on the Hill as Congress reconvenes is the spirit of "doing something about it" that seems to fill the corridors and the offices. Remembering the weariness, the sense of futility pervading Congress during the days before adjournment, this change in attitude is most striking. What has happened?

The Congressmen have been well-briefed by the folks back home, and the folks back home are very much perturbed about everything. A summary of the country's dissidence could be entitled, "Taxes, Korea and Corruption"; but there are other matters on which the citizenry have become articulate.

One Congressman from the West Coast notes the spontaneous and snow-balling rebellion among the womenfolk against taxation. Leadership of no mean calibre is beginning to show itself; leadership marked with a sound understanding of the subject and characterized by a determined evangelism. Local anti-taxation movements are merging into national organizations; one of them is pledged to repeal the Sixteenth Amendment.

In the Middle West, we learn, "McCarthyism" is losing the opprobrium which its inventors attached to it, and is achieving stature as a synonym of Americanism. The State Department is slurringly referred to; the investigations avidly followed; the citizen no longer passes off as "political" the charges of Communist infiltration in the Government.

In the "isolationist" sector of the country, at least, United Nations is in bad repute and so is the foreign policy of the Administration. "Let's get out of Europe" is not an uncommon expression on Main Street.

States' Rights is more than a theory in Texas —— another fact which adds to the discomfort of Senator Tom Connally. It will be recalled that during the war, "honest" Harold Ickes, then Secretary of the Interior, proclaimed that the off-shore lands, with their considerable oil deposits, of right belong to the Federal Government; the Supreme Court sided with him, declaring that the "paramount interest" of the Government made necessary the alienating of these lands from California, Louisiana and Texas. In the last session, the House passed a bill vesting title to these lands in the several states. The bill was buried in Committee when it came to the Senate, thanks to Senator O'Mahoney. Senator Connally has been notified that something must be done about this bill, or else.

In one way or another, the folks back home are "against", and this rising dissidence is reflected in the attitude of the Congressmen we talked to. But the Congressmen who have been abroad are the most vehement.

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THE FIRST CHOICE: For some time, there has been circulating in the Capital a rumor that Judge Thomas F. Murphy was not Truman's first choice for the mission of "cleaning up" the Government; that it was someone else, whose identity has been rather carefully kept secret.

Now, we may reveal -- as a result of investigation and information from unimpeachable sources -- that President Truman first sought none other than former President Herbert Hoover for the key position.

The fact, while surprising, is quite understandable. As may be recalled, Truman after the war thrust aside the prejudice against the former President (which had been sedulously maintained by Roosevelt) and established friendly relations with Mr. Hoover. The incumbent President persuaded the former President to head a foreign food mission which did an excellent job. Mr. Hoover often visited the White House in those years. However, in the demagogic depths of the 1948 campaign, Truman allowed his speech writer to put in his mouth a political reference to Hoover, in the strain of the good old days when Roosevelt made Hoover a perennial symbol of unemployment and depression. Relations became chilly, for a while, then they became cordial again.

Therefore, it was natural that Truman, frantically seeking a man to bail him out of the corruption mess, should turn to Hoover first and to ask his aid.

Mr. Hoover, we learned, replied, laying down conditions as follows: the right to subpoena persons and to question them under oath, and to have free access to all Government files. Some of our sources say that Truman also was asked to guarantee that the Department of Justice would prosecute anyone against whom Hoover got incriminating evidence. But we have no confirmation of that.

Mr. Hoover's conditions were not turned down -- nor were they accepted. The exchange simply "died on the vine". Mr. Truman has kept his mouth shut on this episode. And so also, for quite different and somewhat higher motives, has Mr. Hoover.

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EISENHOWER: As we go to press, the fans are still arguing over the results of the General's statement in which officially and publicly he gave the green light to his boosters. The situation created by his words from Paris is difficult to assess.

Two points are made by the Taft supporters: (1) Since Ike cannot campaign, no one will know what he stands for, while Taft can offer a very detailed program and explain it all to the public. (2) The situation has not really changed so far as the GOP politicos are concerned. Ike's managers still face the same difficulties in pledging delegates.

Here is how impartial observers analyze these Taft arguments:

As to the first point, the picture henceforth may not be as favorable to Taft as he thinks. So far as the general public is concerned, the situation may favor Eisenhower, or at least may present dangers to Taft's progress. After all, a lot of people have blindly developed enthusiasm for Ike, without knowing anything about his political platform. Why shouldn't they go on doing so? Silence may prove golden, and words a trap. For Taft could fall into trouble just through honestly taking stands. It is recalled how both he and Stassen in 1948 tripped into that perennial bramble patch, the farm problem. Taft could do it again.

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Point two makes more sense. The campaign now and for months to come will be one of trying to pin down delegates. Delegates are politicians. They want promises, individual promises on this or that. Therefore, they want someone to deal with. Can Lodge convincingly make promises in Ike's name? It doesn't seem likely. But Taft and his well-oiled machine can.

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NEW HAMPSHIRE: How do Ike's chances rate in the state in which he will face the first open primary? Our correspondent in Manchester, New Hampshire, who has followed the situation closely, reported to us today, as follows:

At first sight, Eisenhower has an impressive front in his campaign in the state of New Hampshire. The committee formed to push Ike's cause has on it the Governor, the GOP national committeeman, state functionaries and various prominent persons -- in short, the "top-level" of the Republican Party in this state.

However, sampling sentiment in various areas of the state and sorting reports from well-informed individuals, it looks as if many of the rank-and-file of the Party in this Republican state take a different view. They seem to be for Taft, and among the mass of the Republican voters there is no enthusiasm for Eisenhower. This class of people talk more favorably of Senator Taft and General MacArthur than they do of General Eisenhower.

Wesley Powell, who lost a close race with Senator Tobey for the Senatorial nomination in 1950, has announced he will seek to be a delegate to the National Convention; and he has criticized Eisenhower for "playing hard to catch". Many here expect Powell to be a figure around whom the anti-Eisenhower and pro-Taft (or MacArthur) elements will rally. By March 11, when the primary takes place, they may prove formidable. Indeed, in view of the fact that the hierarchy of the Party are for Eisenhower, anything less than an overwhelming victory for Ike in the primary will be regarded as very disappointing to the Eisenhower hopes.

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CONNECTICUT: Our Hartford special correspondent writes us this week as follows:

Six months ago, Taft support in this state was at a low ebb. But in the past few months it has risen sharply. Both in the rank-and-file and in the hierarchy of the GOP it is growing. For instance, in Fairfield County, often alleged to be a stronghold of Eisenhower, the trend is clear. I learn that the entire Fairfield Republican leadership is pro-Taft. So are the local businessmen, the dairy farmers, the nursery men, the factory foremen and the state and town jobholders. Among these groups, which are the backbone of the GOP, there is little Eisenhower feeling. Ike's supporters are confined to the "high society" elements, the rich commuters who go to New York every day. Numerically, they are not important, although they can put up a lot of cash.

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MINORITY LEADER: Our frequent contributor, Edna Lonigan, writes for us a report on the first move of the Senate Republicans in the new session of Congress:

The first business of the new session took place yesterday. It was the choice by Senate Republicans of a new Minority Leader -- that is, the field general for the battle of the floor in this critical election year. Senator Styles Bridges of New Hampshire, who was elected, will be a different type of fighter from the late Senator Wherry of Nebraska. Wherry was physically and mentally a natural for the scrimmage. Bridges is a quieter, more deliberate man.

The real significance of this contest is revealed by an examination of the alignments within the GOP ranks. On the death of Senator Wherry, who belonged to the Nationalist group, the Internationalist or "Me-too" Republicans moved quickly to nominate Senator Saltonstall of Massachusetts. The Nationalists and the middle-of-the-road Republicans united on Senator Bridges. The vote was 26 to 15.

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The Nationalist or militant Republicans are a far more powerful group in Congress than they are in the Party as a whole or than they appear in press reports on Congress. They emerged as a strong political force as a result of the 1950 elections, when they took over management of the state campaigns for Senate and House. They fought a vigorous campaign for return to American principles in domestic and foreign policy, against a milk-and-water compromise between American freedom and European statism of any variety.

The militant Republicans now have an almost solid block of seats from Ohio to the state of Washington. They have strong leadership in both Houses. By agreeing on an Easterner who in recent years has fought side by side with them on most issues, they won the first major contest in the coming struggle for Congress.

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THE CHURCHILL STORY: Little has leaked from the closed rooms in which Churchill has conferred with American leaders since his arrival. But what little has dribbled out seems to discredit the prevalent view that the British premier is here only on a big panhandling expedition. Naturally, the British want financial help, but it is believed that Churchill is not here primarily for that. The real touch would be made later.

Foreign diplomats here suggest that the main objective of the man with the cigar is something else than mere lucre. Churchill has set his heart on persuading Truman and Acheson to cast him in a key role -- that of broker between Washington and Moscow. Diplomatic sources believe that this task has the scope and tradition -- the British tradition of playing one against another -- which fascinates the old stager. Churchill, of course, would seek to wring from such an arrangement all he could for his country; and cash then would follow in abundance. In detail -- as we get it -- Churchill would sell Truman, while Eden sells Acheson.

But what would Churchill -- if he should go to Moscow with such backing -- offer Stalin as bait? The answer is obvious -- neutralization of Germany. Now, few who know anything about Germany and Russia today believe that Germany could be really neutralized: the chances are that it would gradually but inexorably move into the Soviet orbit, under such a dispensation. Nevertheless, the scheme may well appeal to an Administration desperately anxious to get out of Korea and to avoid war, at least in 1952. As events and Churchillian oratory unfold, it may be well to interpret them in the context of this diplomatic analysis.

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SYMINGTON: The announcement of RFC Administrator Symington's resignation has inspired much keen speculation in the Capital. In the past 24 hours, as Churchill and Truman conferred, many have been saying that British pressure brought about Symington's removal. It is not generally known in this country that Symington has become a veritable villain in British eyes because he has sought to keep down the prices of rubber and tin. The British in Malaya produce and sell large quantities of these strategic materials. One of Symington's duties has been to run the U. S. Government-owned synthetic rubber plants and another has been to buy tin and rubber for stock-piling.

Certainly, word of Symington's imminent retirement began to leak out just as Mr. Churchill was disembarking in New York. Some here believe that it was not coincidental. Other sources say the news was deliberately synchronized to sweeten the atmosphere of the talks; but, the British had nothing to do with the firing of Symington. The latter was actually dismissed, as the result of animosity towards him among the Palace Guard. Those around Truman had learned to fear the able and personable Symington. It is widely believed that they blocked his anticipated appointment to the post of Secretary of National Defense.

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CORN: Our Omaha correspondent confirms previous negative reports on the volume of this year's corn crop and warns of possible negative effects on the supply of meat for the nation's dinner pail.

Last summer our correspondent suggested that the estimates of the Department of Agriculture were too optimistic, because of the excess moisture in the Middle West. Now, the Department admits the 1951 drop has been disappointing -- about 400 million bushels short of the Government's goal. The outlook for 1952 is not considered good, according to estimates in the prairie states. Our Omaha correspondent reports, as follows:

Much of the corn west of the Mississippi and particularly corn in Nebraska and Iowa, is soft corn which must be used in the next few months. It is very deficient in value as a livestock feed, and is having an important effect on livestock markets already with more severe effects probably ahead. Lots of half-fat cattle are coming to market.

What is happening is this: cattle feeders and hog raisers both will have to curtail their operations as their supply of this soft corn is used up, and it must be used before the spring months begin to warm up. Otherwise, it spoils. The outlook is that there is going to be very little corn available for farm purposes in this area after the first of May, 1952. This means that hog raising will be severely curtailed in the coming spring, and that a lot of cattle will come to market between now and April 1. In fact, the run of cattle and hogs already has depressed these markets severely from early last year.

No one here seems to be sure yet how much of an impact this soft corn is going to have on the economy of this area and the supply of meat for the nation's dinner table. But that impact will not be small in any event -- it may be much larger than is currently anticipated.

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VOICE OF AMERICA: We can report exclusively that the Budget Bureau, after an investigation in Europe of the State Department radio broadcasting, has cut the proposed request for funds of the Voice of America. The Voice asked for about $250 million. The Bureau has pared this down to about $160 million. Last year, the Voice suffered a severe cut largely as a result of a sustained attack by Senator McCarran.

We learn, from the grapevine, that the Voice people are this week anxiously awaiting Senator McCarran's return with the reconvening of Congress. Last summer he sent the Voice a long and penetrating questionnaire. Some of the best researchers in the State Department Section of Information have been toiling on a long answer to the questionnaire for months. It is expected that McCarran's reaction to this answer will be important in discussion of the Voice's eligibility for funds. The Senator is on the Appropriations Committee.

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WATCH FOR: Two new books of the "revisionist" school. One will be a symposium of revisionist essays edited by Dr. Harry Elmer Barnes. Some of the contributors include George Morgenstern (author of Pearl Harbor), Dr. Charles C. Tansill, and William Henry Chamberlin. The volume will be published by the Caxton Press, Caldwell, Idaho, and may appear in late spring. Title is not announced but "Perpetual War for Perpetual Peace" is one being considered.

The other revisionist work is by Dr. Tansill. It will be an historical study, title of which may be Roosevelt and the Road to War. It will be published by the Henry Regnery Company (20 W. Jackson Boulevard, Chicago, Ill.) probably in March. Dr. Tansill is professor of history at Georgetown University and author of another work, an analysis of how we entered World War I. The forthcoming volume, it is reported, will contain much new material gleaned from State Department archives on how we got into World War II.

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